

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
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November 27, 2000

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In order to assist the Authority in its consideration of the Joint Application of the City of Kingsport and Tensasco Pipeline Corporation for Approval of City Resolution and City Ordinance, as amended, Authority Docket No. 00-00537, we ask that Tensasco Pipeline Corporation ("Tensasco") and the City of Kingsport ("Kingsport") answer the following questions and provide all documents necessary to support each answer.

1. Provide the Authority with a map showing the proposed pipeline route, detailing property lines, rights of way, highways crossed, and locations of other large volume industrial customers as well as Eastman Chemical Company ("Eastman").
2. Name any other large volume industrial customers, of which you are aware, which are served by an interstate natural gas pipeline and would qualify to purchase gas from Tensasco under the Pilot Program established in Tenn. Code Ann. § 65-28-103.
3. Provide a breakdown of the estimated cost to construct the proposed pipeline.
4. Provide any cost payback analysis Tensasco has conducted for the pipeline. Whether or not any such analysis has already been conducted, state how long you estimate it will take to recover the cost of construction solely through revenues received from Eastman.
5. List all customers currently being served by Tensasco. For each customer, state the average monthly volumes provided by Tensasco.
6. State the operating capacity of the proposed pipeline and the estimated monthly volumes to be delivered to Eastman.

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7. What is the basis for the statement made in the Kingsport City Resolution No. 2000-92 that a public necessity requires a competing natural gas pipeline company in the City of Kingsport?
8. To what extent, if any, is this finding of public necessity altered by the fact that only a single customer in Kingsport will be served by this pipeline?
9. Explain the statement made in the Amendment filed on October 12, 2000 that Kingsport City Ordinance No. 4776, dated June 6, 2000, "remains in effect subject to approval by TRA."
10. As to the proposed service to Eastman Chemical and other large volume industrial customers, pursuant to Kingsport City Resolution No. 2000-92 and any agreement entered into by Targasco and the City of Kingsport in connection with this Resolution, will Targasco be a "public utility" as defined in Tenn. Code Ann. § 65-4-101? Provide the basis for your answer.
11. Is it your position that Tenn. Code Ann. § 65-28-103 renders inapplicable the requirement, in Tenn. Code Ann. § 65-4-107, of a hearing, determination of public convenience and interest, and approval by the TRA as to the authority granted to Targasco in Kingsport Resolution No. 2000-92? Provide the basis for your answer.

It is requested that this information and supporting documents be furnished no later than Monday, December 4, 2000 at 2:00 p.m.

Sincerely,



David Waddell
Executive Secretary

cc: Counsel for United Cities Gas Company
Michael Horne
Chris Klein
Glynn Blanton
Richard Collier

Original in Docket File No. 00-00537